

HOUSE BILL REPORT

2SHB 2293

As Amended by the Senate

Title: An act relating to higher education fiscal matters.

Brief Description: Authorizing a technology fee at public institutions of higher education.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Carlson, Jacobsen, Murray and Chopp).

Brief History:

Committee Activity:

Higher Education: 1/18/96, 1/23/96 [DPS];

Appropriations: 2/1/96, 2/3/96 [DP2S(w/o sub HE)].

Floor Activity:

Passed House: 2/8/96, 89-8.

Senate Amended.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Carlson, Chairman; Mulliken, Vice Chairman; Jacobsen, Ranking Minority Member; Mason, Assistant Ranking Minority Member; Basich; Blanton; Delvin; Goldsmith; Mastin; Scheuerman and Sheahan.

Minority Report: Do not pass. Signed by 1 member: Representative Benton.

Staff: Suzi Morrissey (786-7120).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Higher Education. Signed by 27 members: Representatives Huff, Chairman; Pelesky, Vice Chairman; H. Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Beeksmas; Brumsickle; Carlson; Chappell; Cooke; Crouse; Dellwo; Dyer; Foreman; Grant; Hickel; Jacobsen; Kessler; Lambert; Linville; McMorris; Reams; Rust; Sehlin; Sheahan; Talcott and Wolfe.

Minority Report: Without recommendation. Signed by 1 member: Representative Hargrove.

Staff: Jennifer Priddy (786-7118).

Background: In Washington, tuition fees for students attending most public colleges and universities are made up of two components, building fees and operating fees. Building fees provide part of the funding for facility repairs, renovations, and construction. Operating fees are used to provide part of the funding needed for instruction and institutional operations. Tuition rates for the 1995-96 and 1996-97 academic years are mandated in law. After the 1996-97 academic year, there is no statutory mechanism in place to determine tuition rates.

In addition to tuition fees, institutions of higher education charge students a services and activities fee (S & A fee). The fee supports student activities and programs. The fee may also be pledged for the payment of bonds used to construct dormitories, hospitals, infirmaries, dining halls, parking structures, and buildings that house student services, student activities, and the dean of students. The rate of increase in services and activities fees is limited by law. In any year, the fees may increase by a percentage that does not exceed the percentage increase in tuition.

In addition, governing boards may charge other fees. These fees include fees for short and self-supporting courses, deposits, rentals and fines. The fees also include laboratory, gymnasium, health, and other special fees.

Western Washington University charges students a technology fee. Over the years, the Attorney General's Office has held that the only fees that an institution may charge to all students are tuition and services and activities fees. One recent exception to that ruling has been health fees.

The laws governing tuition and fees do not apply to students attending technical colleges.

Summary of Bill: With the consent of its student government association, each of the public baccalaureate institutions may establish a student technology fee. The fee must be used exclusively for technology resources for general student use. During the 1996-97 academic year, the fee cannot exceed \$120 for a full-time student; the fee for part-time students will be prorated. In subsequent years, changes in the amount of the fee must be approved by both the student government association and the institution's governing board. The technology fee is not included in tuition or services and activities fees, and it may be increased in excess of the fiscal growth factor.

The technology fee is defined. It is a fee used to help pay for services to students that include access to the Internet and the World Wide Web, computer and multimedia laboratories and work stations, software, and dial-up telephone services. Refund policies for the technology fee will be governed by laws that govern refunds for tuition and services and activities fees.

Three and one-half percent of any revenue raised by the fee must be deposited in the university's local financial aid fund. Institutions may waive the technology fee for students in a variety of existing waiver categories. These categories include veterans who have exhausted their educational benefits, children of deceased and disabled firefighters and law enforcement officers, and recipients of the Washington Scholars and Washington Award for Vocational Excellence awards, if the recipients received their awards prior to June 30, 1994. The fees may also be waived for institutional employees and senior citizens enrolled on a space-available basis, a limited number of foreign students, and teaching and research assistants employed for 20 or more hours per week.

The law declares an emergency and takes effect immediately.

EFFECT OF SENATE AMENDMENT(S): With the written consent of its student government association, each of the public baccalaureate institutions may establish a student technology fee. The fee must be used exclusively for technology resources for general student use. Before establishing a technology fee, the institution must provide to the student government association a list of similar fees. The board and the association will ensure that student fees for technology are not duplicative. The student government association must approve an annual plan for expending revenue from the fee.

During the 1996-97 academic year, any technology fee charged to a full-time student cannot exceed \$120; the fee will be prorated for part-time students. In subsequent years, changes in the amount of the fee must be approved by both the student government association and the institution's governing board. Annually, the student government association may abolish the fee by a majority vote. If the association votes to abolish the fee, it will not be collected during the term following that vote.

The technology fee is defined. It is a fee used to help pay for services to students that include access to the Internet and the World Wide Web, computer and multimedia laboratories and work stations, software, and dial-up telephone services.

Three and one-half percent of any revenue raised by the fee must be deposited in the university's local financial aid fund. Institutions may waive the technology fee for teaching and research assistants working twenty or more hours per week. Institutions are not permitted to waive the fee for students in other waiver categories.

The Senate striking amendment differs from the substitute adopted by the House in the following ways:

- (1) The student governing association must agree, in writing, to the establishment of a fee, must agree to an annual expenditure plan, and may abolish the fee by providing one term's notice to the institution's administration.
- (2) The institutions may waive the fee exclusively for teaching and research assistants working twenty or more hours per week. The House version permitted waivers for students in a few other categories as well.
- (3) Increases in the fee are not exempt from the fiscal growth factor.
- (4) There is no policy governing the refund of the fee.
- (5) The Senate amendment exempts technology fees from the statutory definition of operating fees. The House version exempts from the statutory definition of operating fees those technology fees established under this legislation.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: (Higher Education) At the University of Washington, students contend that access to computers, computer networks, e-mail, dial-up telephone services, and other forms of technology are an integral part of a relevant education. Without additional funding, the university has come to the end of the line for providing students with these kinds of educational tools. It has proposed a method of sharing the cost of enhancing and expanding technology services targeted for student use. The services would be partially student-supported if this legislation passes. The legislation includes safeguards to ensure that student government organizations must approve both the adoption of a fee and any adjustments to a fee. The new president of the university negotiated this legislation with student groups. One important aspect of the legislation is the authority to waive the fee for teaching and research assistants.

(Appropriations) Access to and proficiency in technology are extremely important to the ability of students to compete in the future. The revenue from a technology fee is crucial to the university's ability to provide the latest technology and training to students. Students are supportive of the technology fee and the provisions which require student approval of any increases in the technology fee. Central Washington University seeks the ability to levy a technology fee; Central Washington University students are supportive of the option.

Testimony Against: (Higher Education) (original bill) Technology is an essential component of a student's education and should be treated in the same way as any other essential educational component. Students are not required to pay special fees to use libraries and classrooms, so they should not be required to pay special fees for computers and other forms of technology. Technology fees that are assessed for all students are a type of tuition. The state and its citizens are best served by maintaining the responsibility of elected representatives to determine the appropriate balance between public support (from the state general fund) and private support (from tuition and fees). This legislation will increase the cost of education. Increases of this nature may cause students from low- and middle-income families to forego higher education.

(Appropriations) None.

Testified: (Higher Education) George Durrie, Eastern Washington University (pro); Kim Merriman, The Evergreen State College (concerns); Scott Morgan, State Board Community and Technical Colleges (support concept); Garrick Heilman, Sherry Burkey, Fred Campbell and Ron Johnson, University of Washington (pro); Wendy Rader-Konofalsk, Washington Federation of Teachers (concerns); Jasper McSlarrow, Amit Ranole, Mark Alway, Winston Danseco, Dawn Michelle Hewett, John Linder, Alexis Babcock, Martin Edlund, Barney Gill, Shelley Slate, Matt Hals, Nan Hossey and Larry Chin, University of Washington via video-teleconference (pro); Elizabeth Stevenson, Shoreline Community College via video-teleconference (con); Barbara Simonetti, Clark Community College via video-teleconference (support with concerns); Jesse Harris, John Robinson, Doug Wood, David Fassler, Michael Morris and Sarah Field, Washington State University via video-teleconference (concerns).

(Appropriations) Dr. Richard McCormick, President, University of Washington (pro); Garrick Hileman, President, Associated Student Body, University of Washington (pro); Martha Lindley, Central Washington University (pro); and Tom Borland, Central Washington University (pro).